

**TOWN BOARD SPECIAL MEETING
TOWN HALL, MAHOPAC, N.Y.**

A Special Meeting of the Town Board of the Town of Carmel was called to order by Supervisor Kenneth Schmitt on the 10th day of January 2018 at 7:07 p.m. at Town Hall, 60 McAlpin Avenue, Mahopac, New York. Members of the Town Board present by roll call were: Councilman Barile, Councilman Schneider, Councilman Lupinacci, Councilwoman McDonough and Supervisor Schmitt.

The Pledge of Allegiance to the Flag was observed prior to the start of official business. A moment of silence was held to honor those serving in the United States Armed Forces.

PUBLIC HEARING HELD IN THE MATTER OF THE INCREASE AND IMPROVEMENT OF FACILITIES OF CARMEL WATER DISTRICT NO. 2 IN THE TOWN OF CARMEL, PUTNAM COUNTY, NY - PURCHASE AND INSTALLATION OF APPROXIMATELY 13,000 LINEAR FEET OF WATER MAIN - MAXIMUM ESTIMATED COST OF \$2,300,000

Supervisor Schmitt asked the Town Clerk to read the following Notice of Public Hearing as published in the Town's official newspapers:

LEGAL NOTICE
NOTICE OF PUBLIC HEARING
Water District No. 2 of the Town of Carmel, Putnam, New York
NOTICE IS HEREBY GIVEN that the Town Board of the Town of Carmel, Putnam County, New York, will meet in the Town Hall, 60 McAlpin Avenue, Mahopac, New York, in said Town, on January 10, 2018, at 7:00 o'clock P.M., Prevailing Time, for the purpose of conducting a Public Hearing upon a certain map, plan and report, including an estimate of cost, in relation to the proposed increase and improvement of the

facilities of Carmel Water District No. 2, in said Town, consisting of the purchase and installation of approximately 13,000 linear feet of water main, including original furnishings, equipment, machinery, apparatus, appurtenances and incidental improvements and expenses in connection therewith at a maximum estimated cost of \$2,300,000.
The capital project described above has been determined to be a "Type II Action" pursuant to the regulations promulgated under the State Environmental Quality Review Act ("SEQRA") which such regulations provide will not result in any significant environmental adverse impacts. The map, plan and report are available

in the office of the Town Clerk, where they may be inspected during regular office hours.
At said Public Hearing said Town Board will hear all persons interested in the subject matter thereof. The Town Board will make every effort to assure that the Public Hearing is accessible to persons with disabilities. Anyone requiring special assistance and/or reasonable accommodations should contact the Town Clerk.
Dated:
Mahopac, New York
December 21, 2017
BY ORDER OF
THE TOWN BOARD
OF THE TOWN OF
CARMEL,
PUTNAM COUNTY,
NEW YORK
Ann Spofford
Town Clerk

With no one objecting to the public notice as read, Supervisor Schmitt opened the Public Hearing for public comment at 7:10 p.m. Approximately twenty-five (25) people were in attendance.

Supervisor Schmitt welcomed the residents of Carmel Water District #2 and went on to explain the purpose of the Public Hearing. He pointed out that there have been numerous complaints about discolored water from residents in the Glenvue Drive - Gleneida Ridge Road area. He stated that the Town is attempting to address the issue by funding the \$2.3 million cost to repair certain water mains and that the cost of the project will be borne solely by the taxpayers in the district.

Jennifer Dougherty, hamlet of Carmel resident questioned the cost of the improvements being charged to the residents in Carmel Water District #2.

Supervisor Schmitt explained that the cost will be borne by all residents in the district, not only the ones in the area where the water mains are proposed to be replaced.

Ms. Dougherty asked why the cost is not spread out over other districts as it is an improvement to the Town's infrastructure.

Legal Counsel Gregory Folchetti explained that the only beneficiaries of the proposed improvements are the property owners in Carmel Water District #2 and that by law, the Town is not authorized to spread the cost of a district improvement to another improvement district that is not benefitted.

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Ms. Dougherty confirmed that the Public Hearing is being held in connection with the project's funding and that the Town has a very good bond rating.

Councilman Schneider clarified that bond anticipation notes will be initially issued for the improvements.

Legal Counsel Folchetti further clarified that the Public Hearing is being held to authorize the borrowing of up to \$2.3 million if necessary.

Diane McBride asked if their taxes will increase or if their taxes will be allocated differently.

Supervisor Schmitt explained that the residents will see an increase in their district taxes.

Ms. McBride inquired about the cost per homeowner.

Councilman Lupinacci stated that if the entire \$2.3 million is borrowed, the estimated annual debt service per taxpayer for 15 years would be \$88.75, for 20 years it would be \$72.13 and for 30 years it would be \$56.08.

Charlie Cole inquired about a long range plan for the water district. He predicted that next year, additional costs will be imposed on residents for improvements made to another section of the district. Mr. Cole cautioned in connection with the recently approved water meters replacement project, that sludge and sediment in the pipes could damage the new water meters. He commented on the lack of communication from the Town Board to the residents with regard to the water district. He concluded that the problem is more widespread than just this one area in the district and that patching this area will not prevent problems from popping up somewhere else.

Councilman Schneider proposed that a copy of the engineering consultant's map, plan and report for the project be posted on the Town's website. He expressed his concern for the future of the water district and commented on what would be the extreme cost to residents for improving the entire system at this time.

Supervisor Schmitt assured Mr. Cole that communication from the Town will improve.

Mr. Cole commented that if there were to be a resident from the hamlet of Carmel serving on the Town Board, perhaps the communication to them would be better.

Councilwoman McDonough reiterated that the engineering map, plan and report will be posted on the Town's website and added that residents are also welcomed to reach out to the Town Board members.

Councilman Barile stated that in the last five years, the property owners in Carmel Water District #2 have spent \$697,000 for emergency repairs. He further stated that although the proposed project has to be done, it is only a patch. Mr. Barile commented on the district's aging water plant and the need for a new holding tank. He indicated that the \$2.3 million will solve one area's immediate problem, however, the problem will occur at a neighbor's sometime in the future. Mr. Barile also commented on the need to expedite the project and the need for a long-range plan for the district.

Town of Carmel Engineering Consultant John Folchetti, P.E. stated that there have been complaints over the years about the water in this area of the district. He reported that after a round of complaints in August, an aggressive flushing program was initiated which improved the water but for a much shorter period than in the past. Subsequent testing performed showed that sediment and tuberculation in the pipes was so bad in some places that it could not be guaranteed that the flushing programs are going to continue to work.

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Engineering Consultant Folchetti reported on the possible alternatives considered by the Engineering Department to improve water quality which included either a lining rehabilitation program or a full water main replacement. He explained that although the Health Department identifies iron as a non-health issue, it is clearly an aesthetic issue and therefore the decision was made to attempt the water main replacement at this time under a declaration that does not require the standard design-bid-build process.

Engineering Consultant Folchetti added that the worst of the sediment appears to be around the Gleneida Ridge Road, Glenvue Drive, Ridge Court area between Belden Road and Route 301. He noted that around the district some places do not have this issue quite as bad because their cement lined and PVC mains don't build this kind of tuberculation inside of them. The problems are the unlined cast iron and unlined ductile iron pipes that have this growth in them. He stated that the plant does wash out some sediment. However, emphasized that it is an old and inefficient operation.

Councilman Schneider inquired if there is an inventory of where in the water district the specific types of pipe that are causing the large deposits of iron lie.

Engineering Consultant Folchetti stated that in addition to this particular area, it would be the Collier Drive area, the Lindy Road and Tower Drive area, as well as the Everett Road and Kelly Road area.

Councilman Schneider suggested that based on that, in the very near future sample testing be initiated in those areas as well. He stated that he considered this an emergency and inquired if Engineering Consultant Folchetti would consider it to be an emergency as well.

Engineering Consultant Folchetti stated that as commissioners of Carmel Water District #2, the Town Board has the ability to make that decision. According to State Law and the Department of Health, it is not a health emergency.

Councilman Barile inquired if there is a five-year capital plan for the district.

Engineering Consultant Folchetti replied no. He stated that he developed one. However, it has not been adopted.

Councilman Schneider cited the importance of a five-year plan for the district.

Councilman Barile stated that the taxpayers in the district are averaging \$140,000 annually for emergency repairs. He suggested that the entire system is in need of replacement and that what is being spent for repairs will more than carry the cost of rebuilding it. Councilman Barile pointed out that in addition to residents having to live with poor water quality, selling their homes will prove to be extremely difficult.

Councilwoman McDonough commented that the infrastructure within the Town is outdated and on the need for improvements. However, she pointed out that the cost to repair it will be great. She echoed the need for greater communication between the Town and its residents.

Councilman Barile commented on how the cost for the Town to borrow money for infrastructure improvements is very low at this time with interest rates from 1% to 2 ¼% and that he would support borrowing the money to initiate the improvements to repair the system properly.

Patty Vetterman, Ridge Court resident inquired why the Town Board has not voted on the five-year plan developed by Engineering Consultant Folchetti.

Councilman Schneider explained that it was because of the cost of the proposed improvements.

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Ms. Vetterman expressed support for spending the money now for the repairs rather than spending smaller amounts each year simply to patch. She commented on the lack of communication from the Town with regard to the water district's issues. Ms. Vetterman indicated that although she has been suffering with a water problem for years, she was not made aware that the Town was recently distributing bottled water to impacted residents.

Councilwoman McDonough indicated that information was disseminated through the Town's website, at Town Board meetings and through the local media. She proposed that the Town's emergency text alert system be utilized, too and welcomed additional suggestions from the public.

Councilman Lupinacci reiterated that the Town Board has been hesitant to act on the preliminary five-year plan because of the costs involved. He stated that the Town Board must look to offset any new debt that is undertaken and suggested that one way to do that would be to go after the source of the water by getting ownership of Lake Gleneida. He pointed out that the district taxpayers pay New York City \$700,000 a year for water from Lake Gleneida when this money could be used for infrastructure projects. Instead of paying for the source of the water, the residents would be paying to improve the infrastructure. Discussion ensued regarding the assessment of New York City property within the Town.

Cindy Briley, Kelly Ridge Road resident stated that there have been broken pipes nonstop in her development. Ms. Briley stated that her water quality is disgusting and she has been purchasing bottled water for the last nine years. Ms. Briley stated that her washing machine and dishwasher are black inside. Even though her house was built in 1999 and is one of the newest ones in the neighborhood, she must clean the black gunk that is inside of the pipes in her home herself. She must replace her shower filter and head monthly and clean the black gunk in her toilet every three days. She commented that it is not just the other area of the district with water problems and that whatever the cost, it must be fixed.

Councilman Barile conceded that the entire system should be rebuilt.

Ms. Briley went on to speak about issues relating to the periodic hydrant flushing. She stated that every time it is done, the black sediment flows out of the pipes and into her sinks and filters. She pointed out that her neighborhood is not advised about the flushing until after it has taken place. Therefore, she does not even know that her water is going to be shut off.

Councilman Barile commented that with a job this big, one price for all of the work should be obtained with the cost spread over five years.

Councilman Schneider stated that the operators of the water district will be contacted with regard to the flushing because it is not appropriate that residents are not forewarned when their water is going to be shut off.

Ms. Briley commented that the Everett Road water tank has never been cleaned and it is entirely rusted on the outside.

Supervisor Schmitt asked Engineering Consultant Folchetti when the water tank was last inspected.

Engineering Consultant Folchetti indicated that the water tanks were inspected last in the summer of 2014.

Councilman Schneider noted that although it seemed unlikely due to its appearance, the divers who inspected the tank on Everett Road came back with a positive report. He went on to emphasize the need to perform evaluations on the water mains in the other areas of the district.

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Peter Gebhardt stated that he is the chairman of the Lake Gleneida Citizens Committee and a watchdog for Carmel Water District #2. He stated that the serious problems with the district are not new and that residents have been bringing the issues to the attention of the Town Board for years. Mr. Gebhardt stated that patching the system is not the solution and that the district not only has a problem with the quality of its water, it has a problem with the quantity of water as well.

Mr. Gebhardt went on to speak about the dramatically decreasing level of Lake Gleneida over the years and how the ecology of the lake has changed. He spoke regarding the district's limited water supply, obsolete filtration plant and infrastructure problems in connection with delivering the water to residents. He pointed out that it has been about twenty years since the inside of some of the water towers have been drained and sandblasted on the inside.

Mr. Gebhardt went on to provide a history of the Lake Gleneida Citizens Committee which was formed thirty years ago to address the low water of Lake Gleneida due to the deterioration of the sluiceway canal stop shutters that collapsed and three million gallons of water flowed into the West Branch Reservoir. He spoke regard the increasing demand on the water supply that resulted from Putnam Hospital's connection to the district. Mr. Gebhardt commented that the district needs attention for supply and filtration capacity to provide for growth proposed over the next twenty years as outlined in Engineering Consultant John Folchetti's report and that a plan needs to be designed for an ultimate water source, which he suggested Croton Falls Reservoir to be.

Mr. Gebhardt addressed the assessment of New York City property. Referring to it as a commercial water farm that sells water, he stated that they should be paying a commercial tax rate. Mr. Gebhardt concluded by expressing his frustration with New York City for not repairing the historic Belden House as proposed and leaving temporary construction trailers on their Route 6 property to be utilized as NYCDEP office space.

Councilman Barile maintained that the Town should expend funds to serve an Article 78 proceeding on the City of New York and discussion regarding the matter ensued.

Carl Albano pointed out with regard to the water purchased by the residents in the district, that for every ten gallons, the City of New York is given nine gallons back from the Town filtered at the highest standards. Legislator Albano stated that a five or ten year comprehensive plan concerning the future of the district must be performed because in addition to present problems, additional problems may occur as a result of the tremendous amount of potential development in the hamlet of Carmel. He added that replacing the proposed water mains will provide a temporary fix and concluded that the district is in need of an alternate water source to avoid hindering impending positive growth.

Greg Ellner, Sunset Ridge asked if Carmel Water District #2A is a subset of Carmel Water District #2.

Engineering Consultant Folchetti stated that the hospital is part of Carmel Water District #2.

Mr. Ellner confirmed that the hospital will be paying their fair share for the proposed improvements. He inquired why the hospital was brought into the existing system as opposed to having them pay for their own piping and go across the street to hookup directly from New York City.

Councilman Lupinacci asked when the hospital tied into the water district.

Engineering Consultant Folchetti estimated that the system has been there since at least 1994-1995.

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Mr. Ellner stated that from discussions with hospital personnel, they stopped using their own wells for cooling tower water and supposedly will start to augment some of their water use with their wells. He stated that there is truly a capacity problem that will become more evident when the senior housing on the top of the ridge is completed.

Mr. Ellner went on to address questions to Engineering Consultant Folchetti. He asked if all the sediment in the system is from deteriorating piping.

Engineering Consultant Folchetti indicated that he believed it to be a combination of factors.

Mr. Ellner agreed, commenting as someone in the water and wastewater industry that the water plant and equipment have long served their useful life and should have been replaced decades ago. He stated that the residents' problems are being compounded by allowing sediment to enter the piping system that should have been removed by the water treatment plant. Mr. Ellner inquired about PH control and if phosphate injections are being utilized as a bandage until the pipes are replaced.

Engineering Consultant Folchetti replied yes and that it has been for quite a while.

Mr. Ellner commented that his neighbors should be taken care of immediately. However, unless the water plant is addressed at the same time, the problem will not be solved. He asked Councilwoman McDonough why she would not be in favor of replacing the water treatment plant at this time.

Councilwoman McDonough indicated that the proposed water main improvements must be addressed first. Then prices could be obtained and a timeline established with regard to the water plant. She explained that the residents who are going to be responsible for its financing should be provided with comprehensive information and given the opportunity to voice their opinions.

Mr. Ellner indicated that as a resident of Carmel Water District #2, he would ask his neighbors to agree to say no to spending \$2.3 million and look to spend about \$8 million at this time to fund the replacement of the water treatment plant as well.

Councilwoman McDonough expressed her support for repairing the water system in its entirety. However, cautioned that this would extend the time that residents would go without clean water.

Mr. Ellner inquired if the \$2.3 million figure includes any and all fees.

Supervisor Schmitt indicated that it does.

Mr. Ellner inquired who would be the vendors involved.

Supervisor Schmitt replied that Engineering Consultant Folchetti reached out to two contractors in connection with the project and that his firm would be providing the design services.

Mr. Ellner asked how long the design will take.

Engineering Consultant Folchetti stated that if it is done in the fashion that the Town Board is considering, as an emergency, there will not be a formal design process. It will be a design-build process where he will be alongside the trench on a daily basis with the contractor making decisions.

Mr. Ellner expressed support for the design-build process where it includes a new water plant and went on to detail certain costs involved for a state-of-the-art water plant.

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Mr. Ellner inquired about engineering fees in connection with the project and went on to discuss the design-build process.

Councilman Schneider inquired about how long the proposed project would take to complete.

Mr. Ellner stated that it could be a few months. Although it would depend on how busy the design-build contractors are. He commented that due to the difficulties related to the current cold temperature and frost, it will take a lot longer.

Councilman Barile stated that for the \$2.3 million project, at 15% the design fee would be over \$300,000. He continued to comment on the need to evaluate the district as a whole and address their problems by borrowing more money now and phasing it through to repair the entire system over a period of years. Mr. Barile stated that he will be offering a resolution at the next Town Board meeting in connection with the Town's engineering situation.

Mr. Ellner inquired about the budget of the Town's engineering department for 2018 and discussion regarding the matter followed.

Mr. Ellner went on to speak in favor of the design-build process and its potential to save the Town considerable money and time. Mr. Ellner added that the Town Board could meet with potential vendors and manufacturers at the New York Chapter of the National Water and Wastewater Association's annual exhibition on February 4th and 5th in New York City.

Discussion resumed regarding the Town's engineering department.

Mr. Ellner inquired if there would be a savings achieved if the Town increased the scope of the project rather than performing the repairs piecemeal, and how long it would take to adopt another bond resolution greater than the \$2.3 million.

Gregory Folchetti, Legal Counsel stated that a new Public Hearing would be required to be held at a minimum of ten-days after the legal notice's publication.

Councilman Schneider recommended that all of the pipe work in the district which demonstrates problems should be evaluated as well as new water plant alternatives. He cited Mr. Ellner's earlier comments regarding the construction of a new water plant and concluded that if there is new technology that will cut the cost down to 30%, he is all for it.

Mr. Ellner spoke regarding a water treatment system that was recently sold by competitive bid for under \$4.5 million.

Councilman Schneider expressed interest in attending the exhibition and suggested that there may be more solutions out there than just what was previously presented to the Town Board. He inquired about how long it would take to get the information on the pipes in the other areas within the district that are experiencing problems.

Engineering Consultant Folchetti stated that the contract for cutting the coupons remains opened.

Mr. Ellner asked Engineering Consultant Folchetti to explain what a coupon is.

Engineering Consultant Folchetti stated that it is an actual segment of pipe removed from the system. He went on to address Councilman Schneider's question with regard to timing and stated that it would be possible to amend the existing report for the piping quite readily. However, to amend the report to include a plant would require a somewhat longer lead because the alternatives will need to be examined and costs assessed.

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Discussion ensued pertaining to the technology of the recently sold water treatment system.

Councilwoman McDonough inquired about a timeframe for the pipe testing and new water plant purchase.

Gregory Folchetti, Legal Counsel explained that the map, plan and report will have to be amended and filed with the Town Clerk based on the results of the coupon evaluations. Then a projected number for the new borrowing limit must be established for the purposes of a new Public Hearing. He estimated that the process would take a minimum of a couple of months.

Mr. Ellner went on to address questions in regard to the membrane technology utilized in the water treatment plant and why he recommends this type of filtration.

Mr. Ellner commented that he disagreed with Councilman Barile in that the Town should commence litigation against the City of New York and that the Town should retain a high-power lobbyist instead. Discussion followed.

Frank Chianca, St. Michael's Terrace resident confirmed that St. Michael's Terrace's water is fed from the Everett Road water tower and stated that his water is crystal clear. He commented that since he has no problem with his water, the issue lies with the water lines, not the tower.

Councilman Schneider maintained that the problem lies with the specific type of pipe installed in the area. He went on to comment on the benefits of economy of scale should the Town Board chose to move forward with increasing the scope of the project.

Mr. Chianca commented regarding the need for the Town Board to communicate better with residents and stated that on behalf of the Hamlet of Carmel Civic Association, he would disperse any information provided to him to their members.

Councilwoman McDonough stated that as a liaison to the Hamlet of Carmel Civic Association, she would take responsibility for forwarding any information to him.

Mr. Chianca acknowledged that repairing the water system properly may be expensive. However suggested that to retain property values, the Town should not be pennywise and pound foolish.

Tom Fitzpatrick disagreed with an earlier comment made at the meeting indicating that the proposed project is a bandage. Mr. Fitzpatrick emphasized that it is not. The proposed project will fix a bad section of pipe and is a good investment. He commented that proactively, he would like to see all of the district's problems brought under control.

Mr. Gebhardt readdressed the Town Board and spoke regarding the need for an alternative primary source for the district's water supply and a new water treatment plant.

Ms. Doughty readdressed the Town Board and suggested that in addition to attending to the long-term issues in the water district, those severely impacted residents should also be assisted in the short-term by making water trucks available to them. She commented that it is smarter to take the time, evaluate other options to improve the failing infrastructure and come back with a larger bond.

Councilwoman McDonough conveyed comments received via text message from Glenvue Drive resident Monica Marsich urging the Town Board to move forward with the project. Councilwoman McDonough then suggested approving the \$2.3 million tonight and immediately begin to initiate the other improvements in the district.

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Gregory Folchetti, Legal Counsel stated that from a legal perspective the Town Board may authorize the borrowing tonight and at their discretion, authorize further investigation and study with regard to the distribution system in the other regions of the district, as well as for a facility study for the water treatment plant.

Councilman Lupinacci explained that Engineering Consultant Folchetti had originally recommended a full evaluation of the district but the Town Board had decided that something must be done for this one segment with the goal to do it as soon as possible. He asked Engineering Consultant Folchetti that given this year's cold weather, if ground could be broken for the project next week.

Engineering Consultant Folchetti stated that a trenching machine will be utilized to ground the rock. It will turn to powder and cut the frost. He added that he would have been very concerned if the approach to this would be with a conventional excavator. He then explained the sequencing of the project and estimated that the construction time for the first section of the project to be nine weeks.

Gregory Folchetti, Legal Counsel explained that the earliest that the Town Board could award a contract for construction would be February 7, 2018.

Mr. Barile estimated that breaking ground for the project would not be until March 1st. He then recommended that the Town set up water trucks and temporary above ground water lines for the three roads affected while a program is worked out for the entire district. Discussion was held.

Councilwoman McDonough asked if the \$2.3 million project was undertaken, would those residents see an improvement in their water.

Engineering Consultant Folchetti stated that they would.

Councilwoman McDonough acknowledged that the Town Board was in agreement that improvements are required throughout the entire district. However, in the interim, the residents who have been living with such poor water quality should be assisted.

Patty Vetterman readdressed the Town Board and indicated that although the residents on Ridge Court have been dealing with water issues for years, she would be willing to wait because the proposed improvements will not make their water 100 percent better as sediment will still be a problem. Ms. Vetterman expressed support for borrowing more money to increase the scope of the improvements in the district.

Councilman Schneider asked Engineering Consultant Folchetti if a savings would be achieved if the scope of the project was increased.

Engineering Consultant Folchetti stated that it would be a fairly similar unit price. He stated that the almost 13,000 feet of proposed improvements were estimated at \$110 per linear foot, and to increase to roughly 30,000 feet and depending on the bid environment, would perhaps decrease the cost to \$105.

Engineering Consultant Folchetti went on to explain with regard to a new water treatment plant that an absolute minimum of twelve months is estimated for its design, regulatory approvals, conventional bid process and construction. Discussion ensued regarding his estimate and the possibility of increasing the scope of the project in stages.

Steve Turnbull suggested that an independent consultant be retained to evaluate the situation.

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Supervisor Schmitt thanked the public in attendance for their input. He summarized that decisions must be made by the Town Board as to when the project should commence, how much money should be borrowed, \$2.3 million or an estimated \$8 to \$10 million to increase the scope of the project, which areas of the district should be addressed next, as well as whether or not a new water treatment plant should be constructed.

Supervisor Schmitt expressed his support of correcting the problem in the Glenvue Drive - Gleneida Ridge Road area quickly as well as his support for replacing the aging water treatment plant. He stated that the matter was presented to the Town Board four or five years ago by then Town Engineer Ron Gainer at a time of economic recession and at a cost of between \$15 million and \$20 million. Supervisor Schmitt acknowledged that the technology and the cost may have changed.

Supervisor Schmitt went on to propose borrowing up to \$10 million and approaching the project in phases. He suggested concurrently replacing sections of the water mains while the water plant is being designed and going through the regulatory process. Discussion followed regarding increasing the scope of the project and authorizing additional borrowing.

Councilman Schneider asked that after the Town Board moves forward with adopting the resolution tonight authorizing the borrowing of \$2.3 million, how long will it take to address Kelly Ridge Road and the other sections of pipe that have the same issues, as well as an alternative water supply and new water plant.

Engineering Consultant Folchetti explained how it would involve several phases of work. He estimated that in regard to the Kelly Ridge Road area, the balance of the piping could be assessed by early April. For the remainder of the district he suggested reviewing the preliminary capital plan and establishing two distinct reports, one for the piping and one for the plant.

Discussion resumed with regard to the possibility of achieving a cost savings by bidding the project out as a whole. Councilman Barile concluded that it could be considerably more that 10%.

Mr. Ellner readdressed the Town Board and inquired if the Wicks Law applies to the work.

Gregory Folchetti, Legal Counsel stated that it does and discussion ensued.

Charlie Cole readdressed the Town Board. He commented that an emergency situation truly exists and that the longer the repairs are delayed, the more the piping will break down and release sediment into the rest of the district who are not experiencing problems.

Supervisor Schmitt and Councilman Barile assured Mr. Cole that the Town Board does not intend on delaying the improvements.

With no one else present wishing to be heard on the subject of the Public Hearing, on motion by Councilman Lupinacci, seconded by Councilwoman McDonough, with all members of the Town Board present and in agreement, the Public Hearing was closed at 9:35 p.m.

PUBLIC INTEREST ORDER IN THE MATTER OF THE INCREASE AND IMPROVEMENT OF THE FACILITIES OF CARMEL WATER DISTRICT NO. 2

WHEREAS, the Town Board of the Town of Carmel, Putnam County, New York, has caused to be prepared a map, plan and report, including an estimate of cost, pursuant to Section 202-b of the Town Law, relating to the increase and improvement of the facilities of Carmel Water District No. 2 in the Town of Carmel, Putnam County, New York (the

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“Water District”), being the planning, design, engineering and the purchase and installation of approximately 13,000 linear feet of water main, including original furnishings, equipment, machinery, apparatus, appurtenances and incidental improvements and expenses in connection therewith, at a maximum estimated cost of \$2,300,000; and

WHEREAS, at a meeting of said Town Board duly called and held on December 20, 2017, an Order was duly adopted by it and entered in the minutes specifying the said Town Board would meet to consider the increase and improvement of facilities of said Water District at a maximum estimated cost of \$2,300,000, and to hear all persons interested in the subject thereof concerning the same at the Town Hall, in Mahopac, New York, in said Town, on January 10, 2018, at 7:00 o'clock P.M., Prevailing Time; and

WHEREAS, said Notice of Public Hearing was duly published and posted by the Town Clerk as required by law; and

WHEREAS, a public hearing was duly held at the time and place set forth in said notice, at which all persons desiring to be heard were duly heard; NOW, THEREFORE, BE IT

ORDERED, by the Town Board of the Town of Carmel, Putnam County, New York, as follows:

Section 1. Upon the evidence given at the aforesaid public hearing, it is hereby found and determined that it is in the public interest to make the increase and improvement of the facilities of Carmel Water District No. 2, in the Town of Carmel, Putnam County, New York, consisting the purchase and installation of approximately 13,000 linear feet of water main, including original furnishings, equipment, machinery, apparatus, appurtenances and incidental improvements and expenses in connection therewith, at a maximum estimated cost of \$2,300,000.

Section 2. This Order shall take effect immediately.

Resolution

Offered by: Councilman Schneider
Seconded by: Councilman Lupinacci

<u>Roll Call Vote</u>	<u>YES</u>	<u>NO</u>
Michael Barile	<u>X</u>	<u>_____</u>
Jonathan Schneider	<u>X</u>	<u>_____</u>
John Lupinacci	<u>X</u>	<u>_____</u>
Suzanne McDonough	<u>X</u>	<u>_____</u>
Kenneth Schmitt	<u>X</u>	<u>_____</u>

CARMEL WATER DISTRICT NO. 2 - ISSUANCE OF \$2,300,000 BONDS OF THE TOWN OF CARMEL, PUTNAM COUNTY, NEW YORK AUTHORIZED TO PAY THE COST OF THE INCREASE AND IMPROVEMENT OF THE FACILITIES - OFFERED AS READ AND PRE-FILED

WHEREAS, pursuant to the provisions heretofore duly had and taken in accordance with the provisions of Section 202-b of the Town Law, and more particularly an Order dated the date hereof, said Town Board has determined it to be in the public interest to improve the facilities of Carmel Water District No. 2, in the Town of Carmel, Putnam County, New York, at a maximum estimated cost of \$2,300,000; and

WHEREAS, the capital project hereinafter described, as proposed, has been determined to be a Type II Action pursuant to the regulations of the New York State Department of Environmental Conservation promulgated pursuant to the State Environmental Quality Review Act, which as such the regulations provide will not have any significant adverse effects on the environment; and

WHEREAS, it is now desired to authorize such capital project and its financing; NOW, THEREFORE, BE IT

RESOLVED, by the Town Board of the Town of Carmel, Putnam County, New York, as follows:

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Section 1. For the specific object or purpose of paying the cost of the increase and improvement of the facilities of Carmel Water District No. 2, in the Town of Carmel, Putnam County, New York (the "Water District") being the purchase and installation of approximately 13,000 linear feet of water main, including original furnishings, equipment, machinery, apparatus, appurtenances and incidental improvements and expenses in connection therewith, at a maximum estimated cost of \$2,300,000, there are hereby authorized to be issued \$2,300,000 bonds of said Town pursuant to the provisions of the Local Finance Law.

Section 2. It is hereby determined that the maximum estimated cost of the aforesaid specific object or purpose is \$2,300,000, which specific object or purpose is hereby authorized at said maximum estimated cost, and that the plan for the financing thereof is by the issuance of the \$2,300,000 bonds of said Town authorized to be issued pursuant to this bond resolution.

Section 3. It is hereby determined that the period of probable usefulness of the aforesaid specific object or purpose is forty years pursuant to subdivision 1 of paragraph a of Section 11.00 of the Local Finance Law. It is hereby further determined that the maximum maturity of the serial bonds herein authorized will exceed five years.

Section 4. The faith and credit of said Town of Carmel, Putnam County, New York, are hereby irrevocably pledged for the payment of the principal of and interest on such bonds as the same respectively become due and payable. An annual appropriation shall be made in each year sufficient to pay the principal of and interest on such bonds becoming due and payable in such year. To the extent not paid from monies raised from said Water District in the manner provided by law, there shall annually be levied on all the taxable real property of said Town, a tax sufficient to pay the principal of and interest on such bonds as the same become due and payable.

Section 5. Subject to the provisions of the Local Finance Law, the power to authorize the issuance of and to sell bond anticipation notes in anticipation of the issuance and sale of the serial bonds herein authorized, including renewals of such notes, is hereby delegated to the Supervisor, the chief fiscal officer. Such notes shall be of such terms, form and contents, and shall be sold in such manner, as may be prescribed by said Supervisor, consistent with the provisions of the Local Finance Law.

Section 6. The powers and duties of advertising such bonds for sale, conducting the sale and awarding the bonds, are hereby delegated to the Supervisor, who shall advertise such bonds for sale, conduct the sale, and award the bonds in such manner as he shall deem best for the interests of said Town, including, but not limited to, the power to sell said bonds to the New York State Environmental Facilities Corporation; provided, however, that in the exercise of these delegated powers, the Supervisor shall comply fully with the provisions of the Local Finance Law and any order or rule of the State Comptroller applicable to the sale of municipal bonds. The receipt of the Supervisor shall be a full acquittance to the purchaser of such bonds, who shall not be obliged to see to the application of the purchase money.

Section 7. All other matters except as provided herein relating to the serial bonds herein authorized including the date, denominations, maturities and interest payment dates, within the limitations prescribed herein and the manner of execution of the same, including the consolidation with other issues, and also the ability to issue serial bonds with substantially level or declining annual debt service, shall be determined by the Supervisor, the chief fiscal officer of such Town. Such bonds shall contain substantially the recital of validity clause provided for in Section 52.00 of the Local Finance Law, and shall otherwise be in such form and contain such recitals, in addition to those required by Section 51.00 of the Local Finance Law, as the Supervisor shall determine consistent with the provisions of the Local Finance Law.

Section 8. The Supervisor is hereby further authorized, at his sole discretion, to execute a project finance and/or loan agreement, and any other agreements with the New York State Department of Health and/or the New York State Environmental Facilities Corporation, including amendments thereto, and including any instruments (or amendments thereto) in the effectuation thereof, in order to effect the financing or refinancing of the specific object or purpose described in Section 1 hereof, or a portion thereof, by a bond, and/or note issue of said Town in the event of the sale of same to the New York State Environmental Facilities Corporation.

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Section 9. The power to issue and sell notes to the New York State Environmental Facilities Corporation pursuant to Section 169.00 of the Local Finance Law is hereby delegated to the Supervisor. Such notes shall be of such terms, form and contents as may be prescribed by said Supervisor consistent with the provisions of the Local Finance Law.

Section 10. The validity of such bonds and bond anticipation notes may be contested only if:

- 1) Such obligations are authorized for an object or purpose for which said Town is not authorized to expend money, or
- 2) The provisions of law which should be complied with at the date of publication of this resolution are not substantially complied with, and an action, suit or proceeding contesting such validity is commenced within twenty days after the date of such publication, or
- 3) Such obligations are authorized in violation of the provisions of the Constitution.

Section 11. This resolution shall constitute a statement of official intent for purposes of Treasury Regulations Section 1.150-2. Other than as specified in this resolution, no monies are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside with respect to the permanent funding of the object or purpose described herein.

Section 12. This resolution, which takes effect immediately, shall be published in summary form in the official newspaper, together with a notice of the Town Clerk in substantially the form provided in Section 81.00 of the Local Finance Law.

Resolution

Offered by: Councilman Lupinacci
Seconded by: Councilman Schneider

<u>Roll Call Vote</u>	<u>YES</u>	<u>NO</u>
Michael Barile	<u>X</u>	<u> </u>
Jonathan Schneider	<u>X</u>	<u> </u>
John Lupinacci	<u>X</u>	<u> </u>
Suzanne McDonough	<u>X</u>	<u> </u>
Kenneth Schmitt	<u>X</u>	<u> </u>

Councilman Barile stated that he is voting in favor of borrowing the money and will address how he feels it should be spent at the next Town Board meeting.

Councilman Schneider commented that the project should be implemented in phases and that this should not be the end of the Town Board’s discussions held in connection with Carmel Water District #2. Councilwoman McDonough and Supervisor Schmitt agreed.

ADJOURNMENT

All agenda items having been addressed, on motion by Councilman Schneider, seconded by Councilwoman McDonough, with all Town Board members present in agreement, the Special Meeting was adjourned at 9:42 p.m. for a five minute recess before commencing with the scheduled Work Session.

Respectfully submitted,

Ann Spofford, Town Clerk